

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF OWEN ELECTRIC)	
COOPERATIVE, INC. FOR A CERTIFICATE OF)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY FOR)	2011-00313
ITS 2012-2013 CONSTRUCTION WORK PLAN)	

O R D E R

On November 9, 2011, Owen Electric Cooperative, Inc. ("Owen") filed its application for a Certificate of Public Convenience and Necessity ("CPCN") to construct certain improvements and additions to its existing plant at an estimated cost of \$20,674,593. In support of its application, Owen filed its 2012-2013 Construction Work Plan ("CWP") which describes in detail the improvements and additions to its plant that are required over the next three years to serve its load. By letter dated November 18, 2011, the Commission informed Owen that its application was deficient for failing to provide certain information as required by our regulation. On December 15, 2011, Owen made filings that cured the deficiencies and the application was deemed filed as of that date.

Owen seeks authorization to construct extensions and additions to its plant as follows:

New Distribution Line	\$ 4,862,246
Line Conversion and Replacement	1,462,292
Miscellaneous Equipment and Poles	11,873,546
Outdoor Lights, AMI & SCADA	1,302,509

GIS	<u>1,174,000</u>
Total	\$20,674,593

Owen states that, upon completion of the proposed construction, its system will provide adequate and dependable service to 58,480 residential customers, as well as 22 industrial/large commercial loads and 2,320 small commercial loads.

New Distribution Line

The CWP provides for an estimated 1,763 new services for a total estimated cost of \$4,862,246. Of these new services, 1,270 are proposed to be new underground services.

Line Conversion and Replacement

During the next two-year CWP period, 10 miles of site-specific conductor replacement and conversion will take place at a total cost of \$1,462,292.

Miscellaneous Equipment and Poles

Owen proposes to spend \$11,873,546 to make replacements, upgrades and purchases and install certain new equipment. These include 60 miles of overhead conductor and approximately 8 miles of underground conductor will be selected for aged conductor replacement. The conductor replacement line section will be selected based on conductor condition, operational experience, and the number of customers served. Miscellaneous equipment and poles include aged conductor replacements, voltage regulators, switched capacitors, automated meters, transformers, pole changes, and increased service capacity upgrades.

Owen also projects the need for 164 new underground transformers at an estimated total cost of \$339,678. One hundred fourteen units will be projected for new

customers and 50 units for underground replacement projects. Further, 1,057 new overhead transformers will need to be purchased at a projected total cost of \$1,090,967. Four hundred fifty will be for new customers and 600 will be used for replacement of failed transformers. Owen indicates that over the past three years an average of 300 transformers per year have been brought in due to failure or excessive age. Seventeen new three-phase underground transformers are projected to be needed for the next two years at an estimated total cost of \$313,493.

Additionally Owen projects the need for 150 new single-phase AMI meters at an estimated total cost of \$38,250. One hundred ten meters are allocated to the Smart Home project. These meters will have communication capability into members' homes that will allow a Home Area Network system to retrieve and use selected meter data directly from the meter. Owen indicates that the data will be very near real time and will provide extensive data for the member and Owen to manage the member's load and for future analysis. Forty meters are for new installation and replacement. Also, Owen projects a need of 112 three-phase AMI-capable meters at an estimated total cost of \$34,720. These meters are needed to complete the change-out to all AMI meters on three-phase accounts. An additional 90 new polyphase AMI meters are projected at an estimated total cost of \$36,495. Owen projects the need for 120 meter disconnect collars at an estimated total cost of \$28,642 for the next two years.

Outdoor Lights, AMI and SCADA

Of the \$1,302,509 projected for this category in the CWP, \$356,759 is for an anticipated 256 new outdoor lights. The remaining funds are for SCADA hardware and software and AMI repeaters. This category does not include new meters.

GIS

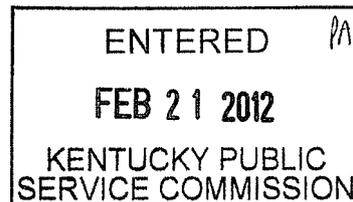
Owen proposes to spend \$1,174,000 for hardware and software for GIS, as well as conducting a field inventory.

The proposed construction will enable Owen to continue to provide adequate and dependable electric service to its customers. The system improvements recommended in the 2012-2013 CWP will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

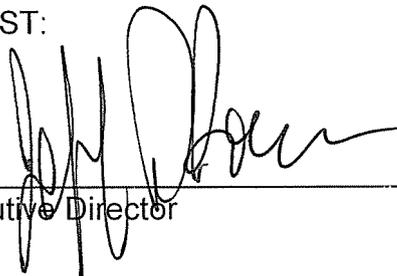
Based on the application and supporting 2012-2013 CWP, and being otherwise sufficiently advised, the Commission finds that the proposed improvements and additions to be constructed by Owen are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that Owen is granted a CPCN to construct the facilities described in its 2012-2013 Construction Work Plan.

By the Commission



ATTEST:



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